

**CITY OF BISMARCK EMPLOYEES PENSION FUND  
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2006**

[illegible]

**CITY OF BISMARCK EMPLOYEES PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2006**

	June-06					March-06				December-05				September-05				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Net ROR	Net ROR	Ended 6/30/2006 Net	Ended 6/30/2006 Net
	Market Value	Actual				Market Value	Actual			Market Value	Actual			Market Value	Actual						
<b>BBB Average Quality</b>																					
Wells Capital	1,482,764	3.4%	3.1%	-0.66%	0.11%	1,827,684	4.1%	4.4%	-0.97%	1,775,731	4.2%	4.2%	0.56%	1,558,632	3.8%	4.0%	-1.65%	-2.70%	12.04%	3.36%	5.51%
Lehman BBB				-0.60%	0.16%				-1.20%				0.39%				-0.97%	-2.37%	8.60%	2.39%	6.10%
<b>Private Debt</b>																					
Prudential	1,515,808	3.4%	3.1%	-0.04%	0.07%	1,859,893	4.2%	4.2%	-0.65%	1,785,162	4.2%	4.2%	0.83%	1,547,831	3.7%	3.7%	-0.26%	-0.13%	N/A	N/A	N/A
Lehman Aggregate				-0.08%	0.21%				-0.65%				0.59%				-0.81%	N/A	N/A	N/A	N/A
<b>Timberland</b>																					
RMK	1,190,075	2.7%	2.7%	-0.34%	-4.61%	1,593,170	3.6%	3.6%	5.45%	1,510,168	3.6%	3.6%	-6.04%	1,691,648	4.1%	4.1%	-0.19%	-1.44%	14.50%	7.62%	N/A
TIR	2,961,414	6.7%	6.7%	-5.67%	-3.13%	4,093,203	9.2%	9.2%	16.70%	4,080,110	9.7%	9.7%	3.21%	4,252,495	10.2%	10.2%	-0.08%	13.53%	N/A	N/A	N/A
Total Timberland	4,151,489	9.4%	9.4%	-4.17%	-3.56%	5,686,373	12.7%	12.7%	13.66%	5,590,278	13.2%	13.2%	0.58%	5,944,143	14.3%	14.3%	-0.11%	9.43%	44.29%	20.37%	N/A
NCREIF Timberland Index				3.49%	1.15%								0.80%				19.69%	14.07%	13.94%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	13,058,993	29.6%	29.0%	-1.82%	-1.15%	16,945,678	37.9%	40.0%	4.49%	16,362,637	38.7%	40.0%	0.70%	15,986,648	38.5%	40.0%	-0.18%	3.12%	19.23%	8.91%	8.14%
Lehman Aggregate				-0.08%	0.21%				-0.65%				0.59%				-0.67%	-0.81%	6.80%	2.05%	4.97%
<b>HIGH YIELD BONDS</b>																					
<b>Core</b>																					
Loomis Sayles	1,292,916	2.9%	3.0%	-1.55%	-0.80%	764,000	1.7%	1.8%	3.67%	736,952	1.7%	1.8%	1.36%	730,191	1.8%	1.8%	1.24%	4.74%	15.96%	N/A	N/A
Sutter/Wells Capital	1,297,776	2.9%	3.0%	0.30%	-4.04%	752,066	1.7%	1.8%	2.65%	732,625	1.7%	1.8%	1.38%	719,462	1.7%	1.8%	0.31%	4.70%	9.62%	N/A	N/A
Total Core	2,590,692	5.9%	6.0%	-0.63%	-2.45%	1,516,067	3.4%	3.5%	3.16%	1,469,577	3.5%	3.5%	1.37%	1,449,653	3.5%	3.5%	0.77%	4.72%	12.76%	5.70%	3.38%
LB High Yield 2% Issuer Constrained Index				-0.07%	-0.56%				2.61%				0.80%				0.99%	4.38%	10.63%	N/A	N/A
<b>Mezzanine Debt</b>																					
Goldman Sachs	12,839	0.0%	0.0%	N/A	0.00%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	2,603,531	5.9%	6.0%	-0.64%	-2.45%	1,516,067	3.4%	3.5%	3.16%	1,469,577	3.5%	3.5%	1.37%	1,449,653	3.5%	3.5%	0.77%	4.72%	12.76%	8.34%	7.47%
LB High Yield 2% Issuer Constrained Index				-0.07%	-0.56%				2.61%				0.80%				0.99%	4.38%	10.63%	8.48%	8.60%
<b>INTERNATIONAL FIXED INCOME</b>																					
<b>International Sovereign</b>																					
UBS Global (Brinson)	2,069,969	4.7%	4.8%	3.67%	-1.09%	368,252	0.8%	1.0%	0.15%	367,776	0.9%	1.0%	-2.52%	377,538	0.9%	1.0%	-1.06%	0.13%	7.92%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (2)				4.05%	-1.38%				-0.18%				-2.61%				-1.24%	-0.11%	7.75%	5.01%	9.58%
<b>International Core</b>																					
Brandywine	2,078,366	4.7%	4.8%	2.61%	-0.82%	385,595	0.9%	1.0%	0.66%	383,044	0.9%	1.0%	-0.21%	383,667	0.9%	1.0%	0.80%	3.89%	11.78%	8.39%	N/A
Lehman Global Aggregate (ex-US)				4.00%	-1.40%				3.16%				-2.39%				-0.86%	3.83%	8.10%	5.69%	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	4,148,335	9.4%	9.5%	3.13%	-0.95%	753,846	1.7%	2.0%	0.41%	750,820	1.8%	2.0%	-1.35%	761,205	1.8%	2.0%	-0.14%	2.01%	9.84%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (2)				4.05%	-1.38%				-0.18%				-2.61%				-1.13%	0.00%	7.75%	5.05%	9.60%
<b>REAL ESTATE</b>																					
INVECO	2,060,615			7.54%	7.63%	689,961			5.60%	654,945			1.73%	644,857			7.19%	23.84%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	2,018,584			4.32%	1.32%	697,829			4.00%	670,504			4.94%	638,969			6.33%	21.05%	19.52%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	351,321			3.76%	0.77%	37,949			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
<b>TOTAL REAL ESTATE</b>	4,430,521	10.1%	9.5%	5.75%	4.16%	1,425,738	3.2%	3.0%	4.66%	1,325,450	3.1%	3.0%	3.33%	1,283,826	3.1%	3.0%	6.76%	22.09%	19.52%	17.14%	12.52%
NCREIF TOTAL INDEX				4.01%	1.32%				3.62%				5.43%				4.44%	18.67%	18.02%	15.78%	12.27%
<b>ALTERNATIVE INVESTMENTS</b>																					
Coral Partners V	23,447			9.17%	0.00%	22,402			-1.81%	24,206			1.43%	25,142			0.01%	8.74%	-18.97%	-15.32%	-24.06%
Coral Partners V - Supplemental	2,137			47.91%	0.00%	2,217			-18.49%	2,886			-1.04%	3,072			-7.36%	10.53%	-6.85%	10.33%	N/A
Coral Partners VI	32,945			-5.78%	0.00%	33,169			-1.01%	28,946			2.13%	24,640			-1.55%	-6.22%	-1.17%	-10.14%	N/A
Brinson 1998 Partnership Fund	6,272			8.23%	8.23%	6,044			0.82%	7,500			3.50%	7,633			3.17%	16.52%	19.64%	15.11%	1.97%
Brinson 1999 Partnership Fund	11,201			6.72%	9.50%	12,349			3.86%	12,615			0.64%	14,894			2.44%	14.27%	9.31%	12.72%	-1.26%
Brinson 2000 Partnership Fund	31,244			4.90%	4.90%	31,067			10.73%	29,767			3.70%	30,388			6.45%	28.22%	14.97%	17.90%	3.70%
Brinson 2001 Partnership Fund	18,784			6.80%	6.80%	18,346			5.34%	19,991			2.53%	17,963			3.91%	19.85%	4.00%	9.95%	3.22%
Brinson 2002 Partnership Fund	12,656			4.93%	7.54%	11,068			17.97%	11,017			3.38%	11,227			3.47%	32.42%	-4.22%	13.22%	N/A
Brinson 2003 Partnership Fund	3,066			4.48%	4.48%	3,356			6.05%	2,713			5.26%	2,234			7.59%	25.48%	1.71%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	5,732			33.16%	25.98%	5,961			12.88%	6,350			-1.05%	6,761			-5.55%	40.48%	32.09%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	8,263			8.61%	8.02%	10,456			16.47%	9,525			7.48%	9,336			-0.69%	35.03%	15.57%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	9,410			12.10%	12.10%	8,756			0.06%	8,437			3.98%	10,238			9.11%	27.25%	9.19%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	13,089			7.18%	7.18%	12,738			11.87%	14,576			15.23%	12,138			-0.04%	38.11%	12.60%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	7,526			12.31%	12.31%	6,990			3.26%	7,182			12.34%	6,735			0.61%	31.08%	2.52%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	3,638			5.62%	5.62%	2,631			3.59%	2,694			9.37%	1,761			4.09%	24.56%	0.42%	N/A	N/A
Brinson BVCF IV	41,658			7.20%	0.00%	40,532			2.14%	42,100			8.77%	40,777			10.29%	31.35%	6.06%	19.07%	0.41%
Matlin Patterson Global Opportunities	33,826			7.39%	0.00%	33,757			-8.59%	39,179			-1.36%	43,089			-8.79%	-11.68%	102.75%	26.48%	N/A
Matlin Patterson Global Opportunities II	45,917			-0.11%	0.00%	41,055			-0.74%	34,956			0.00%	36,845			0.00%	-0.85%	N/A	N/A	N/A
InvestAmerica	10,043			0.00%	0.00%	10,476			0.00%	11,114			0.00%	11,709			0.00%	0.00%	-18.88%	-9.20%	N/A
Hearthstone MSII	0			-100.00%	0.00%	562			0.00%	0			0.00%	1,850			0.00%	-100.00%	1214.92%	-100.00%	-100.00%
Hearthstone MSIII	6,580			34.99%	0.00%	11,881			5.32%	22,991			7.40%	33,669			4.53%	59.61%	16.51%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (3)</b>	327,436	0.7%	1.0%	6.15%	3.00%	325,812	0.7%	1.0%	2.33%	338,745	0.8%	1.0%	3.62%	352,099	0.8%	1.0%	1.64%	11.08%	17.54%	10.40%	-2.89%
<b>CASH EQUIVALENTS</b>																					
Northern Trust STIF/STEP	142,422	0.3%	0.0%	1.29%	0.38%	2,202,970	4.9%	1.0%	1.21%	634,912	1.5%	1.0%	0.85%	553,273	1.3%	1.0%	0.89%	4.31%	2.19%	2.64%	2.41%
90 Day T-Bill				1.16%	0.38%				1.03%				0.92%				0.83%	4.00%	2.15%	2.37%	2.25%
<b>TOTAL FUND</b>	44,047,879	100.0%	100.0%	-1.50%	-0.21%	44,700,840	100.0%	100.0%	5.73%	42,272,023	100.0%	100.0%	1.71%	41,549,160	100.0%	100.0%	3.02%	9.13%	13.81%	12.57%	7.23%
POLICY TARGET BENCHMARK				-0.67%	0.10%				3.21%				1.46%				2.16%	6.25%	8.15%	8.80%	5.55%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.